



Budget Message - 2016-17

Dear Budget Committee Members and Beaverton Community:

I submit for your consideration the Proposed Budget for the Beaverton School District for fiscal year 2016-17. The proposed budget of \$998,501,566 is the result of the financial goals set by the School Board, staff, students and community, and the work of the 36 member Internal Budget Team (IBT). This budget proposal further builds on the strategic investments we made last year.

To formalize the strategic investment process, the District introduced a Multiyear Finance Plan. Three community priorities and seven key investments are identified to support the Strategic Plan. Community and staff input was solicited through public meetings and surveys.

Strategic Plan

The Proposed Budget for 2016-17 continues to build forward momentum that is focused and strategic. The School Board has provided clear direction and focus through the renewed Strategic Plan. Our new District Goal is:

District Goal: *WE empower all students to achieve post-high school success.*

Our Four Pillars of Learning

There is new pillar language that is action-oriented and more specific.



Expect Excellence

- WE teach students knowledge and skills for our evolving world.
- WE seek, support, and recognize our world-class employees.



Innovate

- WE engage students with a variety of relevant and challenging learning experiences.
- WE create learning environments that promote student achievement.



Embrace Equity

- WE build honest, safe and inclusive relationships with our diverse students and their families.
- WE provide needed support so that every student succeeds.



Collaborate

- WE work and learn in teams to understand student needs and improve learning outcomes.
- WE partner with the community to educate and serve our students.



WE believe that as we provide education based on these pillars, students will achieve the District Goal. Reaching our goal will require work from all of us.

The Beaverton School Board and District leaders are developing new measurements to align to the updated Strategic Plan. These will be completed by June 2016. As a team of students, staff, parents, and community members, we are dedicated to all students' success.

In the Multiyear Finance Plan, three community priorities are identified: class size, comprehensive education and additional instructional time. Each Pillar of Learning has one to two focused key investments:

Excellence	Educator Effectiveness, Standards Based Learning System
Innovation	Future Ready Schools
Equity	AVID, Culturally Relevant Practices
Collaboration	Learning Teams, Community Partnerships

The District will be calculating an Academic Return on Investment (A-ROI) to evaluate strategic investments. A-ROI is a system to inform the decision making process of making the wisest use of limited funds. It provides information on the educational results and cost-effectiveness of strategic investments. It looks at how much we are spending per student on this strategy, how much learning is being achieved for each dollar spent, and how does this learning per dollar spent compare to other alternatives. This works into a straightforward formula:

$$\text{A-ROI} = \frac{\text{Increase in Student Learning}}{\text{\$ Spent}} \times \text{Number of Students Helped}$$

By making these calculations, we are creating a culture and protocols to facilitate shifting resources based on the results of the analysis.

Proposed Budget

The proposed budget incorporates resources available to the District including:

- \$7.38 billion State School Fund (SSF) level with a 49%/51% split over the 2015-17 biennium
- Additional SSF for increasing enrollment
- Increased poverty weightings due to updated federal demographic information
- Local Option Levy revenue increasing from \$26 million in 2015-16 to \$28 million in 2016-17



Financial Goals for 2016-17

The School Board adopted a set of financial goals for the 2016-17 budget process as follows:

The District will develop a budget to:

1. *Align with District statutory and policy requirements, the Strategic Plan and community priorities with particular attention to:*
 - a. *Ensuring all students have access to a comprehensive education including arts, music, physical education, foreign language and Career Technical Education coursework*
 - b. *Investing to support student achievement according to the District Pillars of Learning*
 - c. *Reducing class size*
 - d. *Providing additional instructional time*
2. *Maintain a 5% ending fund balance in General Fund and an additional 5% fund balance in a Sustainability Fund to support future bond ratings and long-term financial stability*

Multiyear Finance Plan and Budget Development Process for 2016-17 includes the following phases:

PHASE 1: The process to appoint vacant Budget Committee positions was determined at the August 2015 School Board Meeting and was advertised across the District.

PHASE 2: In October, November and December 2015, the District unveiled a Multiyear Finance Plan supporting community priorities and key investments at a Listening and Learning Session. Surveys were conducted of staff and community members to prioritize strategic investments. The School Board established a budget process and approved financial goals for the 2016-17 budget. The School Board appointed budget committee members in October, and the members were provided orientation to the budget process.

PHASE 3: In January through March 2016, the District solicited feedback from the community by holding a Superintendent Budget Listening Session. The Internal Budget Team built a comprehensive budget aligned to the Multiyear Finance Plan, Learning Pillars, School Board policies and input from staff and the community. This process began with the current staffing and service levels from 2015-16. Strategic investments were made to balance to the new funding levels for 2016-17. The team built a budget based on analyzing student data and reviewing strategic measures, determining where improvement is needed to align to the District's Strategic Plan and incorporating a set of strategies to achieve the District goal.

PHASE 4: Beginning in April through May 2016, the final phase includes the delivery of the Budget Message by the Superintendent and the 2016-17 Proposed Budget to the Budget Committee. The Budget Committee will review the Proposed Budget, receive community testimony, and accept requests for additional information. Finally, the Budget Committee will approve the Proposed Budget and tax levies and send the Approved Budget to the School Board for adoption.



In June, the Board will hold a Budget Hearing and vote on a resolution to adopt the 2016-17 Budget, levy taxes and appropriate funds.

Budget Summary

The 2016-17 budget totals \$998,501,566 for all funds. The General Fund Budget totals \$449,926,506 and has been developed including the following revenue and expenditure assumptions.

Revenue and Resource Estimates

The District projects additional enrollment of 1,008 students in 2016-17 from the 2015-16 projected enrollment for a total of 41,477 students. Based on a statewide K-12 funding level of \$7.38 billion with a 49%/51% split for the 2015-17 biennium, the District will receive an estimated \$380 million in State School Fund formula revenue.

Strategic Investments

The Internal Budget Team prioritized key investments to support the four Pillars of Learning and community priorities. To build on previous year investments, resources have been allocated to:

Pillar/ Community Priority	Key Investment	Prior Year Amount	Current Year Amount	Total Cumulative Annual Investment
WE Expect Excellence	Educator Effectiveness	\$ 255,000	\$ 317,600	\$ 572,600
	Standards Based Learning System	\$16,906,000	\$ 1,247,620	\$18,153,620
WE Innovate	Future Ready Schools	\$ 2,000,000	\$ 1,400,000	\$ 3,400,000
WE Embrace Equity	AVID	\$ 1,660,000	\$ 805,000	\$ 2,465,000
	Culturally Relevant Practices	\$ 5,797,316	\$ 1,942,380	\$ 7,739,696
WE Collaborate	Learning Teams	\$ 325,000	\$ -	\$ 325,000
	Community Partnerships	\$ -	\$ 80,000	\$ 80,000
Class Size		\$ 6,958,718	\$ 1,210,418	\$ 8,169,136
Instructional Time		\$ -	\$ -	\$ -
Comprehensive Education		\$ 4,138,743	\$ 225,000	\$ 4,363,743

Resources were also allocated to address operational needs as follows:

Operational Increases	Prior Year Amount	Current Year Amount	Total Cumulative Annual Investment
Maintenance	\$ 1,000,622	\$ 734,000	\$ 1,734,622
Safety & Security	\$ -	\$ 400,250	\$ 400,250
Teacher Laptop Replacement	\$ -	\$ 840,000	\$ 840,000
Opening New Schools	\$ -	\$ 943,618	\$ 943,618
Aloha CTE Redesign	\$ -	\$ 120,000	\$ 120,000
Staffing Allocation Changes	\$ 515,156	\$ 1,724,028	\$ 2,239,184
Special Education - Summer School	\$ -	\$ 461,825	\$ 461,825
Bus Depreciation Transfer Increase	\$ 1,100,000	\$ 200,000	\$ 1,300,000

The operational investments include adding resources to appropriately maintain our buildings that the community has supported through bond issues. Safety and security increases will provide additional support for emergency planning, school security support and upgrading radio communications. New principals will be hired to lead planning teams in preparation for new schools in 2017-18. The Aloha High School Career Technical Education (CTE) Redesign will support a planning team to develop a prototype for the District to focus on CTE in our high schools. The investment will include resources for planning, staffing and equipment over multiple years. Aloha High School will become a premier CTE model for the District to learn from as we develop our CTE programs in all comprehensive high schools. Staffing allocation changes are made each year to support schools as we continue to grow. The summer school for special education is a one year investment to provide instructional time to students who received less instructional time during the regular school year. We have modified school schedules for future years to incorporate this instructional time into the regular school day. The final operational increase is recognizing resources received through the State School Fund for bus purchases through the bond. This will be transferred to the Long-Term Planning Fund to purchase buses in future years.

As promised in last year's budget process, we have developed a Strategic Investment Summary Report for each of the community priorities and seven key investments. Included in the budget packet, the summaries show metrics



used and progress made in student achievement growth and increased staff development over the last year and a half. Internal Budget Team members will present the summary reports to the Budget Committee, and respond to questions at our first Budget Meeting.

Contingency and Ending Fund Balance Policy

As outlined in the Board financial goals and policy for the District, the General Fund Contingency will be budgeted at 5% of total revenues, and a transfer will be budgeted to maintain an additional 5% of total revenues as a reserve in the Sustainability Fund.

Student Enrollment Compared to All Funds Full Time Equivalents (FTE)

As the economy continues to grow, an additional 102 positions have been added for 2016-17 funded by increased State School Fund, and Local Option Levy revenues.

All Funds	2014-15 Actual	2015-16 Budget	2016-17 Budget
Enrollment	39,910	40,725	41,477
Classroom Teachers	2,009	2,275	2,285
Other Licensed Staff	213	249	264
Classified	1,147	1,307	1,373
Administrators	122	130	141
Total Staff	3,491	3,961	4,063

Successful Bond Election

On May 20, 2014, our generous Beaverton community approved a \$680 million Capital Construction Bond by a vote of 55% to 45%.

The \$680 million bond will address repairs, provide new capacity, modernize and renovate all facilities, improve safety and replace outdated learning technology, curriculum and equipment over a projected eight-year period.

Significant projects such as the new school (opening September 2016 as a temporary school for four existing schools while they are being rebuilt) in the Timberland neighborhood and the new high school (opening September 2017) in the South Cooper Mountain area are underway. A new K-5 elementary school (opening September 2017) in the North Bethany area will relieve overcrowding in the elementary schools in the north side of the District. Vose Elementary School will be demolished this summer and rebuilt during the 2016-17 school year, opening September 2017.



This Capital Construction Bond is part of Beaverton's long-term financial plan and it will enable the District to use bond funds instead of general operating funds to address repairs, build new capacity and make technology investments.

The School Board has established a Bond Accountability Committee to ensure that bond funds are spent according to the Bond Ballot Title. The committee will meet monthly and provide-regular reports to the School Board along with the District staff report.

Conclusion

In closing, I want to thank the Internal Budget Team for preparing this Proposed Budget for 2016-17. This budget proposal continues our improving trajectory full of hope, strategic investments and focused resources to our schools while continuing to invest in central support services that help our schools meet our District Goal.

I want to thank our staff, students, parents and community for their input. I also want to thank the Budget Committee for their thoughtful attention to reviewing the Budget Proposal.

I believe we will continue to move forward and become even stronger. We will continue to look for ways to innovate and improve and **WE** must partner with our community to see that **ALL** students succeed.



are the Beaverton School District.

Thank you for your consideration of the 2016-17 Proposed Budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Rose'.

Jeff Rose, Ed.D.
Superintendent